

**Senate Economic Development Committee
Transportation Economic Development Fund**

Ascension Health – Michigan and Genesys Health System

February 5, 2015

Good afternoon, Mr. Chairman and committee members. My name is Sean Gehle and I am here on behalf of Ascension Health – Michigan and Genesys Health System. With me is Nick Evans, Vice President of Business Development for Genesys Health System in Grand Blanc, Michigan, a member of the Mid-Michigan Region of Ascension Health.

We are here to express Ascension Health – Michigan's support of Senate Bill 25 which will add Medical Research and Medical Care to the list of target industries eligible to receive dollars from the Transportation Economic Development Fund. As some of you are aware, Genesys Health System and partners within the Genesee County region are in the midst of a Genesys Campus and Community Revitalization initiative that has been recognized in several independent studies as having the greatest potential to promote Economic Development and significant employment in the Genesee County region.

Initial phases of this comprehensive initiative undertaken by Genesys Health System have already produced 140 jobs in the Greater Flint community. The linchpin for future phases of this comprehensive project is the extension of Dort Highway that will allow access to the campus and further economic development in the region. Nick Evans is here to tell you more about the regional partnerships that have been formed and the potential for Economic Development and thousands of jobs that we foresee will be created as a result of this initiative.

A number of initiatives as outlined in the slides before you have the potential to create upwards of 4,000 jobs in this region which has seen job losses from the once prominent auto industry totaling 88,000. Initial phases of this plan have already leveraged Economic Development and the creation of jobs through the investment of \$5.6 million in the Genesys Downtown Flint Health Center which has resulted in 140 jobs. An additional 260 jobs will be created this Spring when Genesys plans to officially open its new Program for All Inclusive Care for the Elderly (PACE) site in downtown Flint. Genesys Health System has been designated as the exclusive PACE provider in Genesee County, Michigan.

Another initiative expected to continue this momentum is a Spring 2105 ground breaking for a Continuing Care Retirement Community (CCRC) in the southwest corner of Genesys Health Park that will include a full continuum of care for seniors including skilled nursing, memory care, independent living and assisted living.

Overall, Genesys has developed a strategic regional economic development plan to address the long-term needs of our community's patients, seniors, veterans and downtown Flint residents. This well planned approach has been validated by numerous studies and for its potential to create thousands of jobs and millions in revenues for the community, continuing the 93-year Mission of Genesys dedicated to contributing to the medical, financial and spiritual vitality of the region.

Genesys Life Science Research and Development

Institutional Vision:

A pillar within the Genesys Health System strategic vision, **VisionScape**, Campus and Community Revitalization initiatives are purposefully tailored to develop as the southern anchor point in a Genesee County regional life sciences cluster.



Priorities:

- Drive academics and industry to locate to the region to increase high wage research and commercialization jobs
- Recruit and retain innovative clinicians and students to the region
- Drive Innovation and be responsive to emerging trends in the marketplace
- A culture of entrepreneurship where the public benefits from applied research
- Facilitate partnerships within academia, industry and medical centers
- Increase opportunities for funding through collaboration with regional partners
- Economic development resulting from licensing and start-ups generated by commercialization of technology

Key Project Elements:

Science and Research Park	<p>State-of-the-Art Regional Science & Research Park which engages healthcare, education and industry to drive innovation and enhance regional economic development.</p> <ul style="list-style-type: none"> ▪ Model: Industry, Academia and Medical Centers would lease land from Genesys and they would take ownership of operations and building their space on campus ▪ Conduct a feasibility study to determine partner requirements, stakeholder benefits, unique attributes, costs/risks, project timeline, potential funding sources, and sustainability plan. ▪ Develop a business plan encompassing vision, mission, goals, objectives, business model, partner identification, funding and marketing/promotion.
Health Technology Innovation Institute	<p>Health Technology Innovation Institute provides a venue to enter the life science research sector and collaborate with community partners to drive next stage innovation development.</p> <ul style="list-style-type: none"> ▪ Model: Ownership by a managing company and partners. ▪ Phase I (Years 1-3): Creative & Office Space; Phase I Clinical Trials; Medical Technology Lab; Technology Transfer Office ▪ Phase II (Years 4-9): Enhanced Simulation Lab; Wet Lab ▪ Phase III (Year 10): Innovation Institute
Genesys Research	<p>Genesys Research enables the recruitment of innovative clinicians to the hospital, identify innovation currently within Genesys, and to actively participate in developing technology to drive “healthcare that works”, “healthcare that is safe” and “Healthcare that leaves no one behind”.</p> <ul style="list-style-type: none"> ▪ Model: Partner with an expert Technology Transfer Office that will evaluate the invention disclosure, manage the intellectual property, market to industry, negotiate the license and process the revenue. ▪ Phase I (Years 1-5): Seed 5 projects/clinicians for 5 years, hiring 5 post docs and 5 technicians.

Community Catalyst:

Assets	Unique Regional Attributes
<ul style="list-style-type: none"> ○ Committed \$5.6 M state funding for the road allowing access to the Innovation Institute and to the Science & Research Park (\$7.4M in FY15&16) ○ Land Ownership – strategically planned and/dedicated space ○ Committed to engage Stephen Rapundalo, President of MichBIO, to approach industry ○ Appointed Mary Auge, Founder of Negeva LLC, to be the project leader 	<ul style="list-style-type: none"> ○ Access to patients and to specific patient population (Veterans, Seniors, Pediatrics) ○ Regional CEDS, Anchor CEO Strategy, Regional focus on STEM, E-Team ○ Aligns with strategies to create an Innovation & health/wellness District in Flint and with Grand Blanc Township’s Technology Village Plan

Action Items:

- **Science & Research Park:**
EDA Science Park Grant for feasibility and business plan
- **Health Technology Innovation Institute:**
Engage Ascension
- **Genesys Research:**
Engage Ascension

Evidence-Based:

- **Primary research** with Tech Transfer Offices. Tufts Medical Center, Dignity Health and Brigham and Women's Hospital
- **Primary research** with labs. MSU – Grand Rapids and Flint, Austen Biomedical Institute
- **Secondary research** for Lab Central and J Labs

Genesys Program of All-Inclusive Care for the Elderly (PACE) in Genesee County

PACE provides community-based, comprehensive, cost efficient medical and social services for frail older adults who are Medicare/Medicaid dual eligible.

PACE Description:

Philosophy: PACE serves seniors with chronic care needs by providing access to the full continuum of preventive, primary, acute, and long term care services. PACE programs reorganize key elements of the traditional health care system in a way that benefits families, health care providers, and payers.¹ These services enable frail elderly to live in the community as independently as possible. Genesys Health System has been designated as the exclusive PACE provider in Genesee County, Michigan.

Goal: The goal of PACE is to meet the medical and social needs of individuals age 55 and older, particularly those who are low-income and /or frail who are dual eligible for Medicare and Medicaid, through the delivery of non-institutional, long-term, comprehensive, cost efficient health care.

Patient Population: Genesee County has been identified with a population that will support a PACE Program with an estimated 2,400-5,400 eligible participants. The average PACE participant is an 80 year old female with 7.9 medical conditions, many of which are chronic such as diabetes, dementia, and coronary artery disease. At full capacity, the PACE Center is expected to serve 225 participants each day.

Services: PACE combines direct services such as adult day health, primary care, physical and occupational therapies and transportation within a network of community providers such as physician specialists, ancillary providers, hospitals, and nursing homes to create a comprehensive service delivery system for the frail elderly.

A Population Health Approach to Community Needs:

Community Health Needs Assessment (CHNA): Among the primary health needs for Flint and Genesee County identified through the CHNA, one that Genesys is strategically focusing on is *effective healthcare delivery for the aging population*.

Genesys HealthWorks: PACE demonstrates our engagement in population health management that achieves the triple aim (Improved Health, Care and Cost) by developing the capacity to redirect locales of care for high cost populations (i.e., Emergency Room) to lower cost, community-based locations offering the right services, at the right time, at the right place.

Caring for Low Income/Hard to Manage Patients: Because PACE operates under a capitated funding stream from Medicare and Medicaid (where the provider is fully accountable for quality and cost), Genesys can proactively provide care for a costly segment of the dual eligible population.

Eds/Meds Strategy:

MSU Program of Public Health, MSU College of Human Medicine: The PACE Medical Director will be affiliated with MSU. Working with the MSU Program of Public Health will offer an important opportunity to conduct research on the PACE Model of Care and outcomes. Alignment with MSU College of Human Medicine and the Program of Public Health will also support the development of a Genesys Geriatric Fellowship. Affiliations will be established with U of M-Flint, Baker College and Mott Community College allied health profession programs.

Economic and Community Development:

Job Creation: PACE represents a \$3.6 Million investment in Flint that will create 70 permanent jobs with good health insurance. PACE will collaborate with Baker and Mott Colleges to hire local re-trained and non-traditional students. PACE will select a local developer which will also add additional construction jobs.

Flint's Master Plan: Location of PACE in downtown Flint will make a significant contribution to the stabilization and growth of Flint.

¹ http://www.npaonline.org/website/article.asp?id=11&title=Why_PACE

Continuing Care Retirement Community (CCRC) – Senior Village

Description:

Develop a full continuum senior village on the southwest corner of Genesys Health Park. The CCRC - Senior Village will be a small community for the senior population. This home-like, person-centered environment will provide the necessary level of integration to assure the timely and appropriate transition of care across a continuum of planned facilities and services that includes:

- Convalescent Center (128 beds)
- Memory Care (60 Beds)
- Hospice (20 beds)
- Assisted Living (70-60 Beds)



Regional Economic and Community Alignment:

- In Genesee County, 27.6% of the population is age 55 and older; and the population 65 years and older is growing at 2.4% per year. Currently, the county does not have the facilities or services in place needed to serve the growth of the senior population.
- The Wellbridge Group was selected to develop the CCRC based on their comprehensive understanding of population health and managed care principles for a senior population.
- Wellbridge Group facility design is consistent with the requirements of the emerging senior population for a contemporary living environment.

Data:

Timeline	Wellbridge Development Agreement Announcement - Early Spring 2015 Skilled Nursing Facility <ul style="list-style-type: none"> ▪ Complete due diligence: May 2014-September 2014 ▪ Execute definitive Development Agreement: October 2014 ▪ Complete design and regulatory prerequisites: March 2015 ▪ Anticipated period of construction: April 2015-May 2016 ▪ Open new facility: June 1, 2016 Assisted Living Facility <ul style="list-style-type: none"> ▪ Completion in 1-2 years after skilled nursing facility Independent Living Facility <ul style="list-style-type: none"> ▪ Completion in 2-3 years after skilled nursing facility 	
Memorandum of Understanding	Developer: WellBridge Group, Inc./Burton-Katzman, LLC Property Size: 36 acres on southwest corner of Health Park Campus Owner and Operator: WellBridge Group/Burton-Katzman	Key Elements: <ul style="list-style-type: none"> ▪ Genesys has right of first refusal on the provision of clinical services and the future purchase of the skilled nursing facility. WellBridge must accept all transferred residents from the Genesys Convalescent Center at time of closure. ▪ WellBridge must accept all qualified patient referrals from Genesys. ▪ WellBridge will integrate the electronic health record of the skilled nursing facility with GRMC. ▪ WellBridge will not relocate any of the 128 beds of the skilled nursing facility off Health Park Campus. ▪ Genesys holds approval on new facility design and finishes.
Jobs	<ul style="list-style-type: none"> ▪ 260 permanent jobs created; Construction jobs to be determined. 	
Revenue	<ul style="list-style-type: none"> ▪ Ground lease 	

Regional Partners:

- WellBridge Group Inc.
- Burton-Katzman

Evidence-based:

- ☑ *Genesys Senior Services Study – Brecht Associates*
- ☑ *Economic Impact of Genesys Health Park Campus Expansion Plans – Anderson Economic Group*

Campus & Community Revitalization: A Collaboration

A Validated Strategic Plan for
Community and Economic Development

February 5, 2015

GENESYS

Genesys Campus & Community Revitalization Unique Economic Development Capacity

Vital Presence

Priority Focus with potential to leverage economic development and create jobs

- Genesys Downtown Flint Health Center (opened) and PACE (renovation in progress – slated to open spring 2015) in Downtown Flint
- Dort Highway Extension – Regional
- Life Science Research & Development – on Health Park Campus
- Continuing Care Retirement Community (CCRC) – on Health Park Campus
- Veteran Retirement Home – on Health Park Campus
- Genesys Athletic Club (GAC) – Grow into a center for wellness – on Health Park Campus
- Retail – complementary health-related services – on Health Park Campus

Downtown Flint Leveraging Economic Development and Creating Jobs



GENESYS
DOWNTOWN FLINT
HEALTH CENTER



GENESYS
PACE OF GENESEE COUNTY

\$5.6 Million Invested and 140 Jobs Created

Genesys Health Park Campus Site Plan

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Genesys will donate approximately 19.38 acres of property for the easement of the Dort Highway extension.

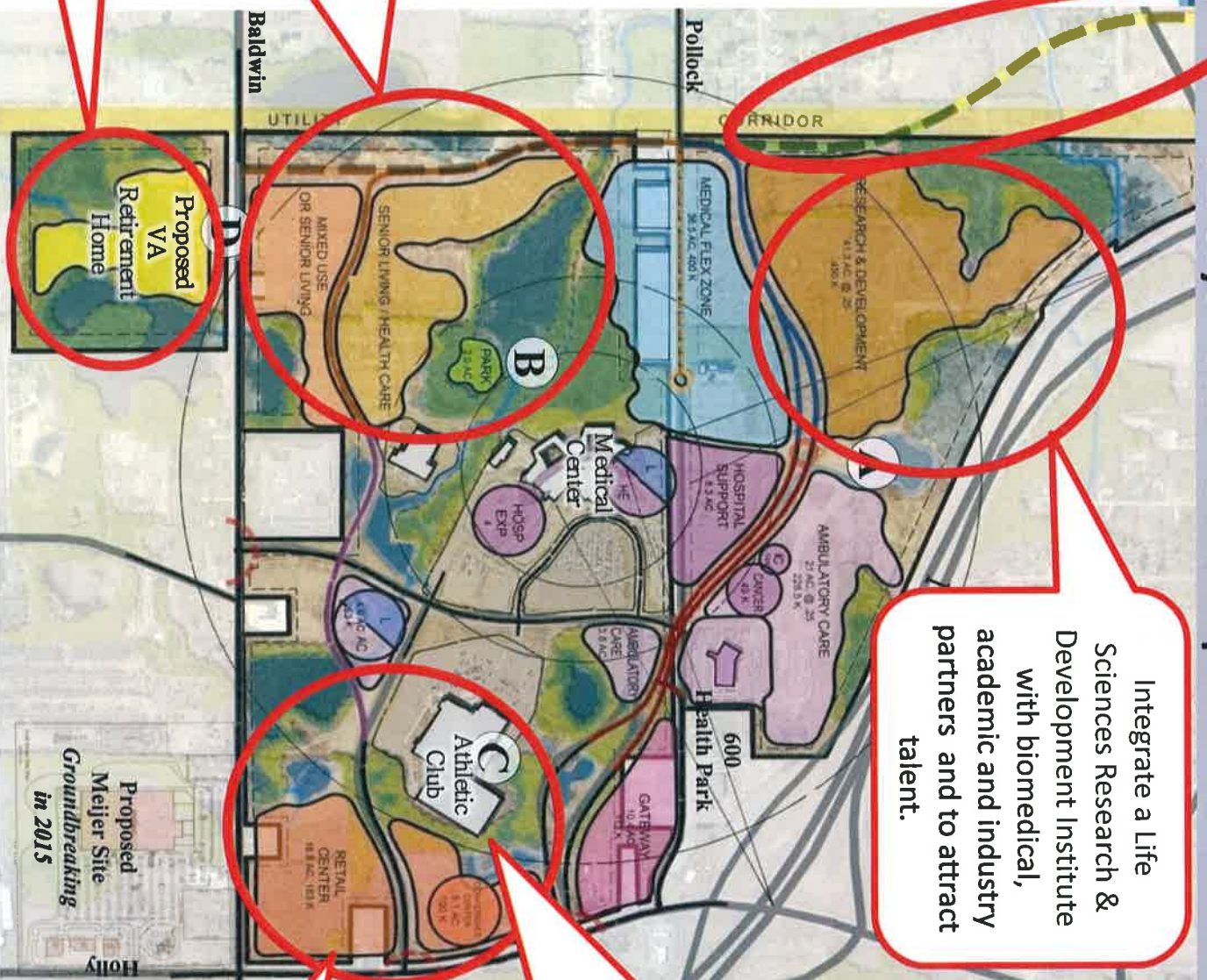
Develop a multi-phased Senior Services Village. Construct an extended care facility to replace Genesys Convalescent Center (GCC). – May 2016.

Establish a veteran retirement home.

Integrate a Life Sciences Research & Development Institute with biomedical, academic and industry partners and to attract talent.

Develop a medical-based wellness program to leverage the Genesys Athletic Club's staff and facilities, and integrate Genesys comprehensive clinical services.

Develop a retail center with complementary, retailers.



Life Sciences Research and Development Genesys Health Park

Vision:

Within the Genesys strategic vision, Campus & Community Revitalization initiatives will develop as southern anchor of a Genesee County regional life sciences cluster

Goal:

Create MOUs and LOIs with academic and industry sectors to facilitate development of a life sciences cluster/ science & research park on Health Park Campus as a catalyst for economic development in Genesee County.

Desired Outcome:

Establishment of life sciences cluster / R&D partnerships with more than 4,000 high tech jobs – aligned to support regional “Eds & Meds” strategic innovation with university partners and other health related businesses as well as leveraging relationships and resources of Ascension Health.

Life Sciences Research and Development Genesys Health Park

Priorities:

- Drive academics and industry to locate to the region to increase high wage research and commercialization jobs
- Recruit and retain innovative clinicians and students to the region
- A culture of entrepreneurship where the public benefits from applied research
- Increase opportunities for funding through collaboration with regional partners
- Economic development resulting from licensing and start-ups generated by commercialization of technology

Dort Highway Extension

Goal:

Extend Dort Highway from I-75 to Baldwin Road to expand access to this region and create the capacity to attract business and new jobs.

Desired Outcome:

- Gain necessary support and funding to complete the extension of Dort Highway
- Create opportunities for the expansion of Genesys Health Park and regional economic development.

Dort Highway Connector Funding

- Dort Connection will provide access to the western portion of the Genesys Health Park Campus
 - Ability to develop the R & D Campus projected to provide 4000 new High Tech Jobs to Community & Region
 - Facilitate expansion of CCRC at Health Park
 - Relieve traffic congestion in region with continued growth as Meijer & other employers move into Holly Road / Baldwin Road corridor
- \$13 Million included in State Comprehensive Transportation Bill to complete Phase I of Dort Extension Project

Dort Highway Asset Map

Funding Source	Dollars Requested	Dollars Committed	Narrative
Genesys Health System (GHS)	N/A	\$750,000	Donation of Land – 19.38 Acres
Grand Blanc Township (GBT)	N/A	\$1.2 Million	Infrastructure Development and Due Diligence
Grand Blanc Township (GBT)	N/A	\$200,000	Preliminary Engineering and Environmental
Genesee County Road Commission (GCRC)	N/A	\$700,000	Preliminary Engineering and Environmental
Genesee County Road Commission (GCRC)	N/A	\$426,000	Right of Way Acquisition
Michigan Department of Transportation (MDOT)	\$13 Million	\$5.6 Million	\$5.6 Million Awarded to the Genesee County Road Commission-July 2014. Requests will be made for \$7.4 Million balance in FY 16 (\$4.4M) & 17 (3M).
Michigan Economic Development Corporation (MEDC)	N/A	0	Request depending on Jobs Multiplier
Economic Development Administration (EDA)	\$4.3 Million	0	EDA Request – Spring 2015
TIGER III	\$17.5 Million	0	Denied
TIGER IV	\$17.5 Million		Denied
TIGER 2014	\$17.9 Million	0	Denied
TOTALS	\$70.2 Million	\$8.88 Million	9

Continuing Care Retirement Community (CCRC)

Goal:

Develop a full continuum senior village on the southwest corner of Genesys Health Park , including skilled nursing, memory care, independent living and assisted living.

Desired Outcome:

Address the significant needs of the region's only growing demographic group – Seniors – through:

- Population Health Management
- Conveniently located Senior Village on Health Park Campus
- Access to GRMC and coordinated care through a full continuum of services devoted to seniors

VA Partnership Opportunities

Expanded Veteran Health Services Programming

Goal:

Genesys Health System is looking to become a partner in supporting VA programs to improve services aligned with population health care delivery and Triple Aim Outcomes – better health, improved patient experience and reduced cost. A potential first step could be the establishment of a VA retirement home on the Health Park campus.

Desired Outcome:

Identification of potential regional partners and resources to expand delivery of existing veterans programming and services in partnership with VA and community-based service providers.

Investment and Regional Economic Growth 2013 - 2026

Genesys Campus & Community Expansion 2013 - 2026

Project	Project Cost	Permanent Jobs Created	Construction Jobs Created	Start Date	Open Date
PHASE I					
Downtown Facility *	\$2.7M	70	N/A	October 2012	August 2013
PACE *	\$3.9M	70	N/A	October 2013	July 2014
Genesys CCRC	\$106M	260	N/A	Spring 2014	Spring 2018
PHASE I Total	\$112.6M	400	1,009		
PHASE II					
				Project Dates Estimated per Campus Development Master Plan	
Gateway Projects	\$31.2M	N/A	113	2016	2020
Ambulatory Care	\$99.1M	1,200	N/A	2015	2017
Genesys Learning Institute	\$21.5M	375	N/A	2014	2018
Research and Development Park	\$129.6M	455	N/A	2016	2020
Retail & Restaurant	\$63.1M	1,058	N/A	2014	2016
Residential	\$27.7M	14	N/A	2015	2017
PHASE II Total**	\$372.2M	4,883	3,102		
TOTAL INVESTMENT	\$484.8M	5,283	4,111		

* Flint Based Projects

**Per AEG Economic Study, 2012

Anderson Economic Group Study

Summary of Employment Impact of the Genesys Expansion

	Period 1 Projects	Period 2 Projects	Impact of Expansion
Construction Phase			
Genesee County* (FTE job-Years**)	953	3,327	4,280
Grand Blanc Community (FTE Job-Years**)	56	193	249
Operations Phase			
Genesee County * (Ongoing FTE Positions)	186	3,907	4,093
Grand Blanc Community (Ongoing FTE Positions)	97	3,743	3,840

* Genesee County employment and earnings estimates include the Grand Blanc community.

** Job-years is a measure of employment that translates the man-hours of employment by many individuals, including part-time and full-time workers, into a full-time equivalent position (FTE).

Data Source: Genesys Health System, Bureau of Economic Analysis

Analysis: Anderson Economic Group, LLC

Conclusion: Vital Presence

- A strategic regional economic development plan to address the long-term needs of our community's patients, seniors, veterans and downtown Flint residents.
- This well planned approach has been validated by numerous studies and for its potential to create thousands of jobs and millions in revenues for the community.
- Continues the 93-year Mission of Genesys dedicated to contributing to the medical, financial and spiritual vitality of this community.

"From everyone who has been given much, much more will be demanded; and from the one who has been entrusted with much, much more will be asked" (Luke 12:48)

CRAIN'S DETROIT BUSINESS

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\$106M retirement village leads expansion plan for Genesys Regional Medical Center

By MLive

GRAND BLANC TWP., MI — A proposal to bring a new \$106-million retirement community that would create 260 jobs is the first in a series of planned projects that could potentially expand Genesys Health Park into a retail and wellness hub in Genesee County.

A developer expects to break ground on the retirement facility in April, while several other proposed projects -- some led by Genesys, and some by private developers -- are expected to follow over the next five years, according to a long-term economic development plan laid out by Genesys Regional Medical Center and its regional partners.

The expansions at Genesys Health Park in Grand Blanc, as well as projects already underway in downtown Flint, would add up to nearly \$500 million in potential investments over the next decade, according to the plan.

"You're going to see dirt moving in the next six months on our campus," Genesys President and CEO Betsy Aderholdt said. "We really do bring some things that are different, cutting edge and innovative."

The proposed projects include updating and expanding the Genesys Athletic Club and creating a research and development park at Genesys Health Park.

Genesys has already opened a clinic in downtown Flint, and is in the process of renovating the old International Institute of Flint into a new chronic-care facility for senior citizens, known as PACE, Program of all-Inclusive Care for the Elderly.

As part of its expansion, Genesys officials said they're relying on an extension of Dort Highway along the west end of the campus.

If all the projects come to fruition, an economic study commissioned by Genesys and performed by the Anderson Economic Group estimates that over 4,000 full-time jobs would be created directly or indirectly, in addition to thousands of construction jobs, officials said.

"Historically our industry has been very hospital-centric, this is about getting ahead of that and focusing on staying healthy and well," Aderholdt said. "If we really wanted to be working toward the health of the community 25 years in the future, what kind of things do we need to be working on today?"

Here are some of the details outlined in the strategic plan shared by Genesys and its partners:

